

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

In re:

USA GYMNASTICS,¹

Debtor.

Chapter 11

Case No. 18-09108-RLM-11

**SUPPLEMENT TO FIRST DAY MOTION FOR (I) APPROVAL OF THE DEBTOR'S
CONTINUED USE OF CASH MANAGEMENT SYSTEM; (II) AUTHORIZATION TO
USE PRE-PETITION BANK ACCOUNTS; AND
(III) WAIVING THE REQUIREMENTS OF 11 U.S.C. § 345(b)**

USA Gymnastics, as debtor and debtor in possession in the above-captioned chapter 11 case (the “**Debtor**” or “**USAG**”), files this supplement (the “**Supplement**”) to its *First Day Motion For (I) Approval Of The Debtor's Continued Use Of Cash Management System; (II) Authorization To Use Pre-Petition Bank Accounts; And (III) Waiving The Requirements Of 11 U.S.C. § 345(b)* [Dkt. No. 12] (the “**Cash Management Motion**”). In support of this Supplement, the Debtor attaches as **Exhibit A** the *Declaration Of Scott Shollenbarger In Support Of The Debtor's Supplement To Cash Management Motion* (the “**Shollenbarger Dec.**”) and states as follows:

SUPPLEMENT

1. On December 5, 2018 (the “**Petition Date**”) USAG filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Among its various motions for first day relief, the Debtor filed the Cash Management Motion.
2. On December 11, 2018, this Court entered its *Interim Order Granting First Day Motion For (I) Approval Of The Debtor's Continued Use Of Cash Management System;*

¹ The last four digits of the Debtor's federal tax identification number are 7871. The location of the Debtor's principal office is 130 E. Washington Street, Suite 700, Indianapolis, Indiana 46204.

(II) Authorization To Use Pre-Petition Bank Accounts; And (III) Waiving The Requirements Of 11 U.S.C. § 345(b) [Dkt. 67] (the “First Interim Order”).

3. On January 22, 2019, this Court entered its *Second Interim Order Granting First Day Motion For (I) Approval Of The Debtor’s Continued Use Of Cash Management System; (II) Authorization To Use Pre-Petition Bank Accounts; And (III) Waiving The Requirements Of 11 U.S.C. § 345(b) [Dkt. 211]* (the “Second Interim Order”).

4. After the Debtor filed the Cash Management Motion, it was advised by the regional gymnastics organization for region 8 (the “Region 8 Organization”) that the Region 8 Organization maintained its own account (the “Region 8 Account”) at Wells Fargo, N.A. The Region 8 Organization advised USAG that it opened the Region 8 Account using USAG’s taxpayer identification number in 1996. USAG had no prior knowledge of the Region 8 Account. (Shollenbarger Dec. at ¶ 5.)

5. The Region 8 Account currently holds \$43,466.89 in checking and \$207,744.34 in savings. USAG is advised that \$197,278.22 of those funds relate to the Tim Rand Legends Fund, a scholarship fund raised and implemented by the Region 8 Organization. None of the funds in the Region 8 Account are USAG funds. (Shollenbarger Dec. at ¶ 6.)

6. As a result of the commencement of USAG’s chapter 11 case, USAG is advised that Wells Fargo froze the Region 8 Account. (Shollenbarger Dec. at ¶ 7.)

7. The Debtor respectfully requests that the final Order granting the Cash Management Motion include the following paragraph:

As set forth in the *Supplement To The Debtor’s First Day Motion For (I) Approval Of The Debtor’s Continued Use Of Cash Management System; (II) Authorization To Use Pre-Petition Bank Accounts; And (III) Waiving The Requirements Of 11 U.S.C. § 345(b)*, in or around 1996 the regional gymnastics organization for region 8 used the Debtor’s tax identification number to open a bank account (the “Region

8 Account"). The funds held in the Region 8 Account are not property of the Debtor's estate.

8. The Debtor will serve this Supplement on Wells Fargo, N.A. and in accordance with the *Order Granting Debtor's Motion For Order Establishing Certain Notice, Case Management, And Administrative Procedures* [Dkt. 213]. In light of the nature of the relief requested herein, the Debtor submits that no other or further notice is necessary.

Dated: January 31, 2019

Respectfully submitted,

JENNER & BLOCK LLP

By: /s/ Catherine Steege

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EXHIBIT A

Supplemental Declaration of James Scott Shollenbarger

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In re:

USA Gymnastics,¹

Debtor.

Chapter 11

Case No. 18-09108-RLM

**SUPPLEMENTAL DECLARATION OF
JAMES SCOTT SHOLLENBARGER IN SUPPORT OF
DEBTOR'S SUPPLEMENT TO WAGE MOTION**

I, James Scott Shollenbarger, hereby declare:

1. I am the Chief Financial Officer of USA Gymnastics (“USAG”).
2. On December 5, 2018, USAG filed a voluntary petition for relief with the United States Bankruptcy Court for the Southern District of Indiana under chapter 11 of title 11 of the United States Code, thereby commencing its chapter 11 case. USAG intends to operate and manage its organization as a debtor in possession during its restructuring.
3. Also on December 5, 2018, I submitted a declaration [Dkt. 8] (i) to provide an overview of USAG and the chapter 11 case; and (ii) in support of the USAG’s chapter 11 petition and “first day” motions and expedited motions, including USAG’s *First Day Motion For (I) Approval Of The Debtor’s Continued Use Of Cash Management System, (II) Authorization To Use Pre-Petition Bank Account; And (III) Waiving The Requirements Of 11 U.S.C. § 345(b)* [Dkt. 12] (the “**Cash Management Motion**

¹ The last four digits of the Debtor’s federal tax identification number are 7871. The location of the Debtor’s principal office is 130 E. Washington Street, Suite 700, Indianapolis, Indiana 46204.

4. I submit this declaration in further support of the Cash Management Motion. If called as a witness, I could and would competently testify to the matters set forth herein based on my personal knowledge or based on reliable information provided to me as an employee of USAG.

5. After USAG filed the Cash Management Motion, it was advised by the regional gymnastics organization for region 8 (the “**Region 8 Organization**”) that the Region 8 Organization maintained its own account (the “**Region 8 Account**”) at Wells Fargo, N.A. The Region 8 Organization advised USAG that it opened the Region 8 Account using USAG’s taxpayer identification number in 1996. USAG had no prior knowledge of the Region 8 Account.

6. I have reviewed the most recent bank account statements for the Region 8 Account. The Region 8 Account currently holds \$43,466.89 in checking and \$207,744.34 in savings. USAG is advised that \$197,278.22 of these funds relate to the Tim Rand Legends Fund, a scholarship fund raised and implemented by the Region 8 Organization. None of the funds in the Region 8 Account are USAG funds.

7. As a result of USAG’s chapter 11 case, USAG is advised that Wells Fargo froze the Region 8 Account.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: January 31, 2019
Indianapolis, Indiana

/s/ James Scott Shollenbarger
James Scott Shollenbarger
Chief Financial Officer, USA Gymnastics